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105TH CONGRESS
2D SESSION

H. R. 4767

To amend titles XIX and XXI of the Social Security Act to improve the coverage of needy children under the State Children's Health Insurance Program (SCHIP) and the Medicaid Program.

IN THE HOUSE OF REPRESENTATIVES

OCTOBER 9, 1998

Ms. DEGETTE introduced the following bill; which was referred to the Committee on Commerce

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A BILL

To amend titles XIX and XXI of the Social Security Act to improve the coverage of needy children under the State Children's Health Insurance Program (SCHIP) and the Medicaid Program.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; REFERENCES IN ACT; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Improved Children's Health Coverage Act of 1998".

(b) REFERENCES TO SOCIAL SECURITY ACT.—Except as otherwise expressly provided, whenever in this Act

an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Social Security Act.

(c) TABLE OF CONTENTS.—The table of contents of this Act is as follows:

Sec. 1. Short title; references in Act; table of contents.
Sec. 2. Simplified outreach and enrollment.
Sec. 3. Family friendly coverage and enrollment.
Sec. 4. Expanded coverage options.

SEC. 2. SIMPLIFIED OUTREACH AND ENROLLMENT.

(a) USE OF UNIFORM APPLICATION AND COORDINATED ENROLLMENT PROCESS.—

(1) SCHIP PROGRAM.—Section 2102 (42 U.S.C. 1397bb) is amended by adding at the end the following new subsection:

"(d) DEVELOPMENT AND USE OF UNIFORM APPLICATION FORMS AND COORDINATED ENROLLMENT PROCESS.—

"(1) IN GENERAL.—A State child health plan shall provide, by not later than October 1, 1999, for—

"(A) the development and use of a uniform, simplified application form which is used both for purposes of establishing eligibility for benefits under this title and also under title XIX;

"(B) an enrollment process that is coordinated with that under title XIX so that a family need only interact with a single agency in order to determine whether a child is eligible for benefits under this title or title XIX; and

"(C) acceptance and timely response to telephone inquiries and other electronic communications received through the national toll-free system established under section 3 of the Improved Children's Health Coverage Act of 1998.".

(2) MEDICAID CONFORMING AMENDMENT.—

(A) IN GENERAL.—Section 1902(a) (42 U.S.C. 1396a(a)) is amended—

(i) by striking the period at the end of paragraph (65) and inserting "; and", and

(ii) by inserting after paragraph (65) the following new paragraph:

"(66) provide, by not later than October 1, 1999, in the case of a State with a State child health plan under title XXI for—

"(A) the development and use of a uniform, simplified application form which is used both for purposes of establishing eligibility for

benefits under this title and also under title XXI;

"(B) establishment and operation of an enrollment process that is coordinated with that under title XXI so that a family need only interact with a single agency in order to determine whether a child is eligible for benefits under this title or title XXI; and

"(C) acceptance and timely response to telephone inquiries and other electronic communications received through the national toll-free system established under section 3 of the Improved Children's Health Coverage Act of 1998.".

(B) EFFECTIVE DATE.—The amendments made by subparagraph (A) apply to calendar quarters beginning on or after October 1, 1999.

(b) NATIONAL TOLL-FREE INFORMATION LINE.—The Secretary of Health and Human Services shall establish, in coordination with State agencies responsible for administration of State Medicaid and child health insurance programs and by not later than October 1, 1999, for a national toll-free telephone number that individuals may access to obtain information on coverage of children under such programs.

(c) FINANCIAL INCENTIVES TO PROMOTE APPROPRIATE ENROLLMENT.—

(1) ELIMINATING LIMITATION ON ADMINISTRATIVE EXPENDITURES FOR ENROLLMENT AND OUTREACH ACTIVITIES.—Section 2105 (42 U.S.C. 1397ee) is amended—

(A) in subsection (a)(2)(D), by striking the period and inserting the following: ", including costs to administer section 2102(d) regardless of whether such expenditures might also be related to the administration of title XIX. The Secretary shall permit common administrative expenditures described in paragraph (2)(D) between this title and title XIX to be paid for under this title.";

(B) in subsection (c)(2)(A), by striking "paragraph (1)" and inserting "paragraphs (1) and (2)(C)"; and

(C) by adding at the end of subsection (c)(2) the following:

"(C) EXCEPTION FOR COORDINATED OUTREACH AND ENROLLMENT EXPENDITURES.—The limitation under subparagraph (A) on expenditures for items described in subsection (a)(2) shall not apply to reasonable administrative costs incurred in carrying out section

2102(d) or described in the last sentence of subsection (a).".

(2) ADDITIONAL ACTIVITIES TO ASSURE APPROPRIATE ENROLLMENT.—Section 2105 is further amended by adding at the end the following new subsection:

"(e) AUDITS OF ENROLLMENT PROCESSES; DISALLOWANCE BASED ON SUCH AUDITS.—

"(1) PERIODIC AUDITS.—Each State shall provide for periodic independent audits of the enrollment practices to determine the extent to which children provided assistance under this title are eligible for medical assistance under title XIX (and, therefore, should be provided assistance under that title rather than under this title).

"(2) DISALLOWANCE BASED ON EXTRAPOLATION OF AUDIT RESULTS.—Insofar as an audit under paragraph (1) finds that the proportion of children provided assistance in a State under this title are eligible for medical assistance under title XIX exceeds 5 percent, the Secretary shall provide that the reference to the enhanced FMAP in subsection (a) shall be treated as a reference to the Federal medical assistance percentage (as defined in the first sentence of section 1905(b)) with respect to

expenditures for child health assistance for such excess proportion of child health assistance.".

(3) EFFECTIVE DATE.—The amendments made by this subsection take effect on the date of the enactment of this Act and apply to expenditures made on or after the date of the enactment of this Act.

(d) ADDITIONAL ENTITIES QUALIFIED TO DETERMINE MEDICAID PRESUMPTIVE ELIGIBILITY FOR LOW-INCOME CHILDREN.—

(1) Section 1920A(b)(3)(A)(i) (42 U.S.C. 1396r–1a(b)(3)(A)(i)) is amended—

(A) by striking "or (II)" and inserting ", (II)"; and

(B) by inserting "eligibility of a child for medical assistance under the State plan under this title, or eligibility of a child for child health assistance under the program funded under title XXI, or (III) is an elementary school or secondary school, as such terms are defined in section 14101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8801), an elementary or secondary school operated or supported by the Bureau of Indian Affairs, a State child support enforcement agency, a child care resource and referral agency, or a State office

or private contractor that accepts applications for or administers a program funded under part A of title IV or that determines eligibility for any assistance or benefits provided under any program of public or assisted housing that receives Federal funds, including the program under section 8 or any other section of the United States Housing Act of 1937 (42 U.S.C. 1437 et seq.)" before the semicolon.

SEC. 3. FAMILY FRIENDLY COVERAGE AND ENROLLMENT.

(a) ASSURING COORDINATION OF PEDIATRIC PROVIDERS WITHIN A FAMILY.—

(1) IN GENERAL.—Section 2103 (42 U.S.C. 1397cc) is amended by adding at the end the following new subsection:

"(g) STEPS TAKEN TO COORDINATE PROVISION OF PEDIATRIC CARE WITHIN A FAMILY.—A State child health plan—

"(1) shall specify methods being used to ensure that children within a family who are eligible for assistance under the plan (or under a State plan under title XIX) are allowed to be seen by the same pediatrician or group of pediatricians in a manner that permits the coordinated receipt of care by children in the same family; and

"(2) shall include a description of such methods in each annual report submitted under section 2108(a).".

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) applies on the date of the enactment of this Act and to reports submitted for years beginning with 1999.

(b) REDUCTION IN BURDEN OF ADMINISTERING COST-SHARING PROVISIONS.—

(1) STATE RESPONSIBLE FOR ASSURING CAP ON COST-SHARING NOT EXCEEDED.—Section 2103(e)(3) (42 U.S.C. 1397cc(e)(3)) is amended by adding at the end the following new subparagraph:

"(C) STATE AND CONTRACTORS RESPONSIBLE FOR APPLYING LIMITATIONS ON COST-SHARING.—The State child health plan shall provide that responsibility for assuring compliance with the limitations on cost-sharing under this paragraph falls on the State and on its contractors, and not on beneficiaries and their families.".

(2) STATE OPTION OF FLAT LIMIT ON OUT-OF-POCKET EXPENDITURES.—Section 2103(e)(3)(B) (42 U.S.C. 1397cc(e)(3)(B)) is amended by inserting before the period at the end the following: "(or,

at the option of a State, a limiting amount which is not greater than $500)".

(3) EFFECTIVE DATE.—The amendment made by paragraph (1) takes effect on the date that is 30 days after the date of the enactment of this Act.

(c) PROHIBITION OF WAITING PERIODS.—

(1) IN GENERAL.—Section 2102(b)(1)(B) (42 U.S.C. 1397bb(b)(1)(B)) is amended—

(A) by striking "and" at the end of clause (i);

(B) by striking the period at the end of clause (ii) and inserting "; and"; and

(C) by adding at the end the following new clause:

"(iii) shall not permit the use of any mandatory waiting period (including any such period in order to carry out paragraph (3)(C)), unless the Secretary finds that the imposition of such a period would not be contrary to the provisions of this title.".

(2) EFFECTIVE DATE.—The amendments made by paragraph (1) apply to assistance furnished on or after the date of the enactment of this Act.

(d) GRACE PERIOD AND PRIOR NOTICE BEFORE DISENROLLMENT FOR NONPAYMENT OF PREMIUMS.—

(1) IN GENERAL.—Section 2103(e) (42 U.S.C. 1397ee(e)) is amended by adding at the end the following new paragraph:

"(5) GRACE PERIOD.—Before disenrolling a child under a State child health plan for nonpayment of a premium, the plan shall provide for notice in writing to the family involved and a grace period (of not less than 30 days) in which payment may be made without disenrollment.".

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) applies to disenrollments occurring on or after the date that is 30 days after the date of the enactment of this Act.

SEC. 4. EXPANDED COVERAGE OPTIONS.

(a) AUTOMATIC REASSESSMENT OF ELIGIBILITY FOR SCHIP BENEFITS FOR CHILDREN LOSING MEDICAID ELIGIBILITY.—

(1) IN GENERAL.—Section 1902(a)(66) (42 U.S.C. 1396a(a)(66)), as inserted by section 2(a)(2), is amended—

(A) by striking "and" at the end of subparagraph (B),

(B) by striking the period at the end of subparagraph (C) and inserting "; and"; and

(C) by adding at the end the following new subparagraph:

"(D) the automatic assessment, in the case of a child who loses eligibility for medical assistance under this title on the basis of changes in income, assets, or age, of whether the child is eligible for benefits under title XXI.".

(2) EFFECTIVE DATE.—The amendments made by paragraph (1) apply to children who lose eligibility under the medicaid program under title XIX of the Social Security Act on or after the date that is 30 days after the date of the enactment of this Act.

(b) OPTIONAL COVERAGE OF LOW-INCOME, UNINSURED PREGNANT WOMEN UNDER A STATE CHILD HEALTH PLAN.—

(1) IN GENERAL.—Title XXI is amended by adding at the end the following new section:

"SEC. 2111. OPTIONAL COVERAGE OF LOW-INCOME, UNINSURED PREGNANT WOMEN.

"(a) OPTIONAL COVERAGE.—Notwithstanding any other provision of this title, a State child health plan may provide for coverage of pregnancy-related assistance for

targeted low-income pregnant women in accordance with this section.

"(b) DEFINITIONS.—For purposes of this section:

"(1) PREGNANCY-RELATED ASSISTANCE.—The term 'pregnancy-related assistance' has the meaning given the term child health assistance in section 2110(a) as if any reference to targeted low-income children were a reference to targeted low-income pregnant women, except that the assistance shall be limited to services related to pregnancy (which include prenatal, delivery, and postpartum services) and to other conditions that may complicate pregnancy and shall not include prepregnancy services and supplies.

"(2) TARGETED LOW-INCOME PREGNANT WOMAN.—The term 'targeted low-income pregnant woman' has the meaning given the term targeted low-income child in section 2110(b) as if any reference to a child were deemed a reference to a woman during pregnancy and through the end of the month in which the 60-day period (beginning on the last day of her pregnancy) ends.

"(c) REFERENCES TO TERMS AND SPECIAL RULES.—In the case of, and with respect to, a State providing for coverage of pregnancy-related assistance to tar-

geted low-income pregnant women under subsection (a), the following special rules apply:

"(1) Any reference in this title (other than subsection (b)) to a targeted low income child is deemed to include a reference to a targeted low-income pregnant woman.

"(2) Any such reference to child health assistance with respect to such women is deemed a reference to pregnancy-related assistance.

"(3) Any such reference to a child is deemed a reference to a woman during pregnancy and the period described in subsection (b)(2).

"(4) The medicaid applicable income level is deemed a reference to the income level established under section 1902(l)(2)(A).

"(5) Subsection (a) of section 2103 (relating to required scope of health insurance coverage) shall not apply insofar as a State limits coverage to services described in subsection (b)(1) and the reference to such section in section 2105(a)(1) is deemed not to require, in such case, compliance with the requirements of section 2103(a).

"(6) There shall be no exclusion of benefits for services described in subsection (b)(1) based on any pre-existing condition.

"(d) NO IMPACT ON ALLOTMENTS.—Nothing in this section shall be construed as affecting the amount of any initial allotment provided to a State under section 2104(b).

"(e) APPLICATION OF FUNDING RESTRICTIONS.—The coverage under this section (and the funding of such coverage) is subject to the restrictions of section 2105(c).

"(f) DEEMED ELIGIBILITY FOR 1-YEAR FOR CHILDREN BORN TO PRESUMPTIVELY ELIGIBLE TARGETED PREGNANT WOMEN.—If a child is born to a targeted low-income pregnant woman who was receiving pregnancy-related assistance under this section at the time of the birth, the child shall be deemed, notwithstanding any other provision of this title, to be a targeted low-income child until the child attains 1 year of age.".

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall take effect on the date of the enactment of this Act and shall apply to allotments for all fiscal years

(c) STATE OPTION FOR COVERAGE OF LEGAL IMMIGRANTS UNDER THE MEDICAID AND CHILDREN'S HEALTH INSURANCE PROGRAMS.—

(1) MEDICAID.—Section 1902(a)(10)(a)(ii) (42 U.S.C. 1396a(a)(10)(A)(ii)) is amended—

(A) by striking "or" at the end of subclause (XIII);

(B) by adding "or" at the end of subclause (XIV); and

(C) by adding at the end the following new subclause:

"(XV) who are described in section 1905(a)(i) and who would be eligible for medical assistance (or for a greater amount of medical assistance) under the State plan under this title but for the provisions of section 403 or section 421 of Public Law 104–193, but the State may not exercise the option of providing medical assistance under this subclause with respect to a subcategory of individuals described in this subclause;".

(2) CHILDREN'S HEALTH INSURANCE PROGRAM.—Section 2110(b) (42 U.S.C. 1397jj(b)) is amended—

(A) in paragraph (1)(A), by inserting before the semicolon "(including, at the option of the State, a child described in paragraph (3)(B))"; and

(B) in paragraph (3)—

(i) by striking "SPECIAL RULE.—" and inserting "SPECIAL RULES.—

"(i) HEALTH INSURANCE COVERAGE.—" by indenting the remainder of the text accordingly; and

(ii) by adding at the end the following new subparagraph:

"(B) ELIGIBILITY FOR LEGAL IMMIGRANT CHILDREN.—For purposes of paragraph (1)(A), a child is described in this subparagraph if—

"(i) the child would be determined eligible for child health assistance under this title but for the provisions of sections 403 and 421 of Public Law 104–193; and

"(ii) the State exercises the option to provide medical assistance to the category of individuals described in section 1902(a)(10)(A)(ii)(XV).".

(d) CLARIFICATION OF COVERAGE UNDER VACCINE FOR CHILDREN PROGRAM.—

(1) IN GENERAL.—Section 1928(b)(2)(A)(ii) (42 U.S.C. 1396s(b)(2)(A)(ii)) is amended by inserting ", except that for purposes of this paragraph a child who is only insured under title XXI shall be

considered as being not insured" after "not insured".

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall take effect as if included in the enactment of the Balanced Budget Act of 1997.

(e) ELIMINATION OF FUNDING OFFSET FOR EXERCISE OF PRESUMPTIVE ELIGIBILITY OPTION.—

(1) IN GENERAL.—Section 2104(d) (42 U.S.C. 1397dd(d)) is amended by striking "shall be reduced by the sum of" and all that follows through "(2) the amount of payments under such section" and inserting "shall be reduced by the amount of payments under section 1903(a)(1)".

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) first applies for allotments for fiscal year 1999.

(f) PROGRAM COORDINATION WITH THE MATERNAL AND CHILD HEALTH PROGRAM (TITLE V).—

(1) IN GENERAL.—Section 2102(b)(3) (42 U.S.C. 1397bb(b)(3)) is amended—

(A) by striking "and" at the end of subparagraph (D);

(B) by striking the period at the end of subparagraph (E) and inserting "; and"; and

(C) by adding at the end the following new subparagraph:

"(F) that operations and activities under this title are developed and implemented in consultation and coordination with the program operated by the State under title V in areas including outreach and enrollment, benefits and services, service delivery standards, public health and social service agency relationships, and quality assurance and data reporting.".

(2) CONFORMING MEDICAID AMENDMENT.—Section 1902(a)(11) (42 U.S.C. 1306a(a)(11)) is amended—

(A) by striking "and" before "(C)"; and

(B) by inserting before the semicolon at the end the following: ", and (D) provide that operations and activities under this title are developed and implemented in consultation and coordination with the program operated by the State under title V in areas including outreach and enrollment, benefits and services, service delivery standards, public health and social service agency relationships, and quality assurance and data reporting;".

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(3) EFFECTIVE DATE.—The amendments made by this subsection take effect on January 1, 1999.

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